
THE EFFECT OF ACTUAL SOCIAL TIES TO THE ACTUAL BUYING IN SOCIAL COMMERCE

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Abstract

Popularity of the social media usage has opened a wide opportunity to the online sellers to expand their social commerce revenue. Unfortunately, this potential can't be fully utilized by most of them especially by the individual online sellers whom are usually running the business individually and not owning a well-known and established firms. Most of these individual online sellers are facing to the ongoing debated issue by the scholars; the issue to get a customers' trustworthy to buy their merchandise. All this while, the issue of a consumer trust has been a huge barrier to the online business. Hence, this study is conducted to observe the effect of the actual social ties to the actual buying in social commerce by beginning the online sales with the customers whom possessed the actual social ties with the online seller outside the social media. Using a full-participatory observation approach in a real social commerce environment, the researcher put herself as a real individual online seller. Using social networking site Facebook, the researcher posted the sales posting through the status updates function and tagged her Facebook friend list whom has the actual social ties with her outside the Facebook. Findings showed that, these kind of friends' relationship have a bright potential to expand the researcher's business based on their trustworthy to the researcher in the first place. In a long run, this strategy is seen to be able to act as the mechanism for trust formation towards the individual online sellers hence, increase the actual sales' transactions.

Keywords: Trust, actual social ties, social commerce

1.0 INTRODUCTION

Social commerce is a combination of the words "social media" and "e-commerce" [1]. It is defined as 'a subset of e-commerce that uses social media, the online media that supports social interaction and user contributions, to enhance the online purchases experience' [2]. Both consumers and firms benefited from this new way of commerce mediated by the social media. Consumers can make a firm decision by getting the information both from the firms and the other consumers, while firms can easily attract new consumers through various social media channels. Weijun & Lin [3] visualized social commerce as the combination of "community" + "e-commerce". Community derived from the participation by a group of people. Therefore, one of the important perspective to understand social commerce is from the people perspective [4].

Officially appeared in the literature in 2005, social commerce research is considered as a new phenomenon and a new area in the research world [1, 5, 6, 7]. Hence, huge potential studies are available in social commerce especially in understanding the role of people whom involve in it. This is supported by Lai [8] findings, showed that one of the main components that built social commerce is the people as a community who create, use, and collaborate interactively.

Interestingly, recent trend of users' highest interest in socializing through SNSs [9] has led to a bright future

for social commerce. Due to its low barriers for entry and a very low set-up cost, seller as an individual can market or sell their products or services with very minimum efforts. In addition, social interaction through SNSs has been a great online platform to assist and accelerate the communication between sellers and buyers. Besides, through SNSs the behavior to interact, to share the information and opinion, and to influence the perceptions of one another are seen very common among the Internet users [10]. These online interactions has benefited the users by providing a live and updated information as a reference if they need it in a decision making process in the future.

SNSs have created connections between the Internet users and have become the important sources of information for users [7, 11]. These interactions and connections among the SNSs users is simply known as a social tie. Social tie is defined as 'a set of interaction between two or more individuals' [7]. In other words, it is a pre-existing relationship among the SNSs users, outside the SNSs such as friends and families. According to Granovetter [12] this kind of tie is known as a strong tie. In this research, the pre-existing relationship between users in the SNSs is operationally defined as the actual social ties.

Over 90% believe in the actual social ties recommendation in SNSs [9]. This, has led to a new marketing strategy namely word-of-mouth (WOM) leaving the traditional marketing strategy by broadcasting of information and advertising. In an early study, WOM was found as one of the most

influencer in the purchasing of household and food products and was reported a few times as affective as newspapers and magazine, personal selling and radio advertisements [13]. In SNSs environment, there was also a research findings showed that the Internet users are avoiding direct advertising in their social networking environment [7]. Therefore, WOM among the users with the actual social ties in SNSs is believed could give a different impact in influencing buyers' decision whether to commit or not to commit to the particular online transactions. WOM in social commerce also referred by Hajli, Hajli, & Khani [14] as a social WOM.

As a whole, this research is trying to thoroughly examine the role of the actual social ties in the trust formation in the social commerce context. Previous research shows that social WOM through social commerce constructs have a positive relationship with the users' trust [14]. However, whether the actual social ties in SNSs can be considered as a significant mechanism in the formation of users' trust in social commerce is rarely discussed as the construct of interest. In addition, trust in most of previous researches always placed at the central of the relationship, between the antecedents and the outcomes [15, 16,17] . Hence, discussing trust may involving not only the trust factors but also the trust outcomes in social commerce. In this context, the actual purchasing among the buyers is considered as an obvious result from the users' trust towards the seller.

2.0 DATA COLLECTION

In this study, a full-participatory observation has been used to acquire the data needed. The observation has been made for a 30 days period with a total of 30 postings (1 posting per day). The posting that make count on each day are only the posting that related to the products or services advertised by the researcher.

Instead of Facebook Messenger, the observation on this study is including the respond made by the potential buyers using any other application such as text messaging using mobile phone, Whatsapp, WeChat and Telegram. The offline communication by the potential buyers such as physical meeting are also being observed.

The researcher at first joined the Smart Tycoon Group (STG), an online business community in Facebook to obtain the list of products as well as the online business partners' support. By using the status updates function in Facebook, the researcher started to post the sales posting in a real actual environment. All the respondents were purposively tagging with the sales postings by the researcher. Most of them were in the researcher's friend list whom have the history of relationship or actual social ties with the researcher. The responses towards the sales postings then were recorded and analyzed starting from the total of like, comment, share, and up to the actual buying from the buyers.

The responses to the postings that are not leading to the products or services interest were excluding from the data analysis. However, the researcher still responded to that kind of responses to remain natural in the communication. Meanwhile, the responses made by the researcher's online business partners that are more on the benefits of the products are also not included in the data analysis but still being responded by the researcher for the same purpose, to remain natural in Facebook communication.

3.0 RESULTS

There are 9 types of actual social ties were discovered in the researcher's Facebook friend list. They are such as acquaintance, community friend, childhood friend, ex-colleague, ex-student, ex-school mate and etc. Table 1 shows the respondents' distribution according to their type of actual social ties with the researcher

Table 1 Respondents' Types of Actual Social Ties

	Types of Actual Social Ties	Frequency	Percent	Valid Percent
Valid	Acquaintance (ACQ)	6	2.0	2.0
	Community Friend (CF)	49	16.5	16.5
	Childhood Friend (CHF)	14	4.7	4.7
	Ex-Colleague (EC)	90	30.3	30.3
	Ex-Student (ES)	18	6.1	6.1
	Ex-School Mate (ESM)	66	22.2	22.2
	Ex-University Mate (EUM)	29	9.8	9.8
	Family (F)	21	7.1	7.1
	University Mate (UM)	4	1.3	1.3
	Total	313	100.0	100.0

The above table shows that the respondents are taken across all types of actual social ties that they have with the researcher. They are purposively chosen by the researcher and were tagging with the sales postings through the researcher's status updates.

During the 30 days period of sales postings, there are 10 actual buyers out of 313 respondents involved ((3.2%). This is refers to 11 buying transactions which equal to RM1,517.00 of sales amount. Details of the actual buyers' distribution and their responses towards the sales' postings are shown in Table 2 as below

Table 2 Distribution Details of the Actual Buyers

No.	Type of AST	Tagged	Like	Comment	Private Message	Type of Item Bought	Day of Posting
1	CF	No	No	Yes	Yes	Business Opportunity	2
2	EUM	Yes	No	Yes	Yes	Beauty Skin Care	5
3	F1	Yes	No	Yes	Yes	Personal Care	6
4	EC1	Yes	No	Yes	Yes	Personal Care	6
5	ESM1	Yes	Yes	Yes	Yes	Personal Care	6
6	ESM2	No	No	Yes	Yes	Personal Care	6
7	CHF1	No	No	No	Yes	Nutrition	6
8	F2	Yes	No	No	Yes	Nutrition	7
9	CHF1	No	No	No	Yes	Personal Care	8
10	ES	No	No	Yes	Yes	Personal Care	13
11	EC2→FOF	Yes	No	No	Yes	Personal Care	14
Total Buyer		Total Tag	Total Like	Total Comment	Total Private Message		
10		6	1	9	11		

3.1 Demographic of the Buyers

Table 2 shows the distribution details of the actual buyers and their responses towards the researcher's sales' postings. 7 out of 9 types of actual social ties (77.8%) bought from the researcher and they are the researcher's community friend, ex-university mate, family, ex-colleague, ex-school mate, childhood friend, and ex-student. This indicated that almost 80% of the researcher's Facebook friend list have a potential to be the researcher's customers. Below is detail descriptions about the actual buyers:

i) The community friend (CF) buyer was whom were together participated with the researcher in a communication and leadership non-profit organization. This relationship has lasting for almost 10 years and this answered why the buyer made a commitment to the researcher's posting as earlier as the second day of posting.

ii) The ex-university mate (EUM) buyer was whom know the researcher during the bachelor degree time and live together in the same rental house while studying. This relationship has lasting for almost 4 years.

iii) The family1 (F1) buyer is the researcher's cousin and meet the researcher once or twice a year during the festive season. This relationship is categorized as quite close to the researcher.

iv) The ex-colleague1 (EC1) buyer was working together in the researcher's first job as a lecturer in a

private higher education institution. The researcher knows this buyer for about three years.

v) The ex-school mate1 (ESM1) buyer was a person whom were studying together with the researcher in a secondary boarding school. The buyer was staying in a same room and utilizing the same double decker bed for a year of period.

vi) The ex-school mate2 (ESM2) buyer was one of the researcher's best friend in a secondary. The relationship during the school time was so close and is still on going until the current time.

vii) The childhood friend1 (CHF1) buyer was once whom were together with the researcher during the play time in a village. The relationship is still strong until the current time.

viii) The family2 (F2) buyer is the researcher's sister in law and meet at least once a month when the researcher go back to the hometown.

ix) The ex-student (ES) buyer studied in a private higher education institution. The researcher was once a hostel warden too in the institution.

x) The ex-colleague2 (EC2) buyer was a lecturer in the same institution together with the researcher. Now, both of them are also live in the same housing area and the relationship is still on going until the current time. However, the ex-colleague2 buyer mentioned that the item bought from the researcher was for the

friend. Therefore, this is considered as the friend of friend buyer too.

Based on the findings, most of the actual buyers are friends and families that have a long relationship with the researcher at least in a year period.

3.2 Tagging Strategy

In every sales posting made by the researcher, the strategy of conveniently tagging the potential respondents with the sales postings is adopted. This is to allow the researcher to closely observe the responses made by respondents. Result in Table 2 shown that, out of 11 actual transactions occurred, 6 transactions were from the tagging strategy and the other 5 were not. It is believed that the changing of privacy setting from friends to public may contribute to the finding of the non-tagging buyers. Furthermore, the history of previous communication among the actual buyers with the researcher may allow the actual buyer to comfortably deal and buy from the researcher.

3.2 The role of Like, Comment and Private Message

Based on Table 2, the response of Like doesn't mean anything to the actual transactions. This is shown by only 1 like out of 11 transactions was recorded. Meanwhile, the more comment that the respondents did in the postings, the more probably he or she will buy the products. From the findings, 9 out of 10 respondents commented the sales posting made by the researcher. In addition, 100% of 11 transactions have received the private message earlier before the actual buying transaction is made. This is shown that comments and private messages done by the respondents are very crucial as the indicator in closing the sales.

5.0 DISCUSSION

The strong ties between buyers and sellers have more influences on consumer trust to commit the actual buying [20]. Trust is referring to the actions of allowing oneself to a vulnerable and risky state [18]. In this study, the obvious risk that are taken by the actual buyers were losing their money without gaining their ordered merchandise. However, based on the actual social ties between buyers and sellers, trust is given to acquire the desired products and services. It also reduces the needs of extensive negotiations, systematic rules and procedures and the business can operate independently without a tight organization control [19].

Previous study discussed several effecting factors on trust in social commerce [21]. However, none of them were focusing on the effect of the actual social ties among the SNSs users towards trust in the same context. This finding is seem pretty much interesting

especially to those whom are new to the social commerce world. As Facebook is purposely use to connect with existing friends and make new friends, the proper utilization of it may help the individual online sellers to excel in their online business.

In the methodology perspective, the role of the researcher as a full participant in the real-time and real environment observation revealed more reliability results based on the actual behaviour and actions by the consumers. In addition, the real experience dealing with the consumers will reveal more unpredictable findings that may not able to be exposed by the common survey method.

Other significant findings in this pilot study are the sales information were able to reach the non-targeted customers and the buyer was also somebody that is not in the seller's friend list. This is a sign where the individual online sellers could leverage their appearance in the social media to attract more prospect customers.

4.0 CONCLUSION

As social media have been in a highlight by the world users today, social commerce is seen as a great opportunity to be grabbed by the online sellers, be it the established firms or not. Based on the findings, a great potential to succeed in social commerce is awaits the new comer of individual online sellers. Promoting the products to their own friends and families as a kick start is seem as great trust mechanism to expand their online business to the greater height of achievement. With quality products, network collaboration with other online sellers, quality content and the persistency effort from the online sellers themselves, building trust credibility to the other new potential customers is considered as a strategic and a long-term step taken.

In the economy growth perspective, the findings of this study offers a new insight to the people to generate their own income by being the online entrepreneur. With the increasing Internet penetration and FB usage in Malaysia [22], as well as the support from the government agencies towards the society in terms of funding and trainings, these will definitely accelerate the awareness among the individual online sellers especially the rural residents to take online business as a great opportunity to generate income for a living.

This pilot study is done within limited 30 days of period. In a real study, a longer period of observation within 3 to 6 months will be taken. The longer period of time will help the researcher to ascertain the pattern of transactions from the actual buyers. Hence, this will add to a more reliability in the transactions occurred and the result can be obtained precisely. Besides, the personality history of the researcher with her own friends and families may limited the responses by the respondents towards sales' postings made by the researcher. Therefore, to ascertain the pilot study

findings, depth interview with 10 selected respondents will be taken.

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